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CIVIL LAW REVIEW OF TYPES OF COLLATERAL IN BONDS

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ABSTRACT

The purpose of this study is to discuss the concept of collateral in legal obligations including general and special guarantees, such as pledges, mortgages, fiduciaries, and mortgages. Collateral serves to provide legal certainty that an agreement or debt will be carried out. This article also examines how collateral is used in the context of business and economics, including commercial and business contracts and obligations involved in electronic transactions and e-commerce. In the business world, obligations include contracts such as sales and purchase contracts, business cooperation agreements, and business asset lease agreements. With the advancement of technology, new forms of obligations have emerged, such as electronic contracts (e-contracts). The Electronic Information and Transactions Law (ITE) and related regulations regulate this type of obligation. The purpose of this article is to improve understanding of the role of obligations and collateral in supporting legal certainty in the digital and conventional economic sectors.

Keywords: *Guarantee, in a contract*

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Introduction

A legal relationship that is often used in social life is an engagement. An engagement is a legal relationship between two or more parties who are obliged to give, do, or not do something to the other party. In reality, ties are strongly linked to trust and legal stability, especially in cases relating to significant economic issues. Therefore, guarantees are an essential part of the agreement to ensure that the agreed responsibilities can be fulfilled.

The guarantee mechanism attached to the engagement is an important component. Two types of security are recognized in Indonesian civil law: general security and specific security. Article 1131 of the Civil Code regulates general security, which means that all of the debtor's property, both present and future, is collateral for all of its obligations. Meanwhile, special security, as stipulated in Article 1132 of the Civil Code, grants the creditor a privilege over a specific security object. Pawn, mortgage, mortgage and fiduciary are some examples of these types of special security, each of which has different laws and registration procedures. These guarantees not only protect the creditor legally, but also strengthen the position of the parties to the agreement and reduce the risk of losses due.

Engagements no longer only apply to individuals, but have also become an important part of businesses as the economy and businesses grow. In contemporary economic activities, contracts, or business agreements, are the true type of engagement. Sale and purchase agreements, business cooperation, leases, licenses, distributions, and franchises are all examples of commercial contracts. Contracts allow businesses to organize their rights and obligations in a more detailed and professional manner in a competitive business environment in addition to serving as a formal legal tool. These contracts usually include warranties, sanctions, dispute resolution, and choice of applicable law. Therefore, understanding contracts in a business context is essential for the sustainability and security of the relationship.

Besides serving as a formal legal tool, contracts allow businesses to organize their rights and obligations in a more detailed and professional manner in a competitive business environment. In most cases, these contracts include warranties, sanctions, dispute resolution, and choice of applicable law. Therefore, understanding contracts in a business context is essential for the sustainability and security of business relationships. Contracts, in addition to serving as formal legal tools, allow businesses to organize their rights and obligations in a competitive business environment in a more detailed and professional manner. In most cases, these contracts cover warranties, sanctions, dispute resolution, and choice of applicable law. Therefore, understanding contracts in a business context is essential for the continuity and security of business relationships.

Research Methods

This research uses a qualitative descriptive method and is included in the type of library research, namely by collecting data or information from various written sources related to Collateral in Engagement. The descriptive qualitative approach is used to describe data systematically and factually in accordance with reality, without manipulation or additional treatment. Data analysis is carried out based on the stages according to Miles & Huberman, namely data reduction, data presentation, and conclusion drawing. To ensure data validity, this study used two triangulation techniques, namely source triangulation and practice triangulation. Source triangulation is done by comparing and confirming information from various literatures or sources, while practice triangulation is used to validate data by matching it to the practices that occur in the field. The use of these two techniques aims to increase the validity and reliability of the research results.

Results And Discussion

A. Collateral in an Engagement

a. General Guarantee and Special Guarantee

There are two types of security: general security and specific security. General guarantees are guarantees given for the benefit of all creditors and concern all of the debtor's assets. The guarantee is not given to any particular creditor, and the proceeds from the sale of the guarantee are divided proportionally among the creditors in proportion to their respective debts. Special guarantees are guarantees granted over a specific object, whether movable or immovable, to secure the repayment of a specific debt. This is different from a general guarantee, which covers all of the debtor's assets.

- **Collateral Under Civil Law**

According to Articles 1131 and 1132 of the Civil Code, the entire property of the debtor is considered as collateral without the need for a special agreement, the security object is not reserved for a particular creditor, and the proceeds of the sale are divided among the creditors in proportion to their respective debts. However, there are special guarantees that can provide special status. Articles 1132-1134 of the Civil Code provide special guarantees that make the position of creditors unequal, but it makes it more convenient because creditors will not be afraid if the debtor has more than one creditor.

- **Personal Guarantee**

Personal guarantees are guarantees that create a direct relationship with a person or third party. Thus, personal guarantees do not give the right to precedence to certain assets because the third party's property is only a guarantee for the performance of an obligation. If the debtor is negligent and unable to fulfill his obligations, the new insurer will assume his responsibility according to Article 1820 Jo 1831 of the Civil Code. To pay off the debt, the assets of the debtor must first be confiscated or sold. However, if the insurer has waived its privileges, this can be waived. (Januar, 2016)

- **Property Guarantee**

Material security is a guarantee in the form of a right attached to an object, namely a certain object owned by the debtor, which is born as a result of an agreement between the debtor and the creditor, can be maintained, always follows the object, and can be transferred. A property security agreement can only be attached to certain objects owned by the debtor that have been agreed upon and bound by a security agreement, in contrast to the regulations of Article 1131 of the Civil Code, which regulates general guarantees where all of the debtor's assets are collateral for his debts. (Setiono, 2018)

- **Comparison of General Guarantee and Special Guarantee**

Creditors compete with debtors with general collateral, which covers all of the debtor's assets, both present and future, without the need for a special agreement, as stipulated in Article 1131 of the Civil Code. In contrast, special guarantees are guarantees of certain objects that are specifically designated to guarantee the repayment of certain debts, and are usually set out in formal agreements, such as in pledge, fiduciary, or mortgage rights. (Fauzan et al., 2025)

b. Pawn, Mortgage, Mortgage, and Fiduciary Rights

- **Pawn**

According to the Balai Pustaka edition of the General Indonesian Dictionary, pawn is defined as "borrowing money for a certain period of time by submitting goods as collateral; if the goods are not redeemed in time, the goods will become the right of the lender". Article 1150 of the Civil Code states that a pawn is:

A right granted to a creditor over movable property delivered to him by a debtor or another on his behalf, and which gives the creditor the right to settle the property before all other debtors, with the exception of the costs of auctioning the property and the costs of salvaging it after it has been mortgaged.

The characteristics of pawn regulated under the Civil Code are as follows: *First*, the object of pawn can be in the form of movable objects, both tangible and intangible; *Second*, the pledge object must be given by the pledgor to the pledgee; *Third*, The lien agreement is an accessory agreement, meaning that the lien as a property right depends on the existence of a principal agreement, such as a credit agreement; *Fourth*, he purpose of the security object is to give the pledgee assurance that at a later date, the debt will be paid. After that, the day his debt will be paid; *Fifth*, Other creditors receive early payment; *Sixth*, Auction costs and maintenance of goods: the collateral is repaid before the auction proceeds are repaid.

The lien occurs by promising it in advance, this means that the occurrence of the lien only exists after the pawn agreement process is carried out. In the implementation of a pawn there is a process consisting of 2 (two) phases, namely: *First Phase*, the first phase is a credit agreement, also known as money lending, where the liable party provides movable

property as security. This agreement is consensual and mandatory. The pledge agreement begins with this agreement; *Second Phase*, The second phase is to deliver the pledged object to the pledgee in their capacity according to the pledged object. If the object is movable, it must be released from the debtor or pledgor. The delivery must be legal, not just based on the debtor's statement that the object is in the debtor's power. This is in accordance with Article 1152 of the Civil Code, paragraph (2). (Dalimunthe, 2018)

- **Mortgage**

According to Article 1162 of the Civil Code (KUHP), a mortgage is an essential right for an immovable object to forfeit reimbursement to repay its commitment. This right remains valid for a movable object, regardless of whether the object is movable. Based on Article 1198 of the Civil Code which notes highpotec, there are consequences of third parties controlling the object. The object remains connected with everyone. The accounting output determines the rate and receives payment. Property rights are rights that can be retained by the owner of property rights.

Mortgages do not stand alone as separate agreements; rather, they are ancillary agreements that depend on the main agreement, such as a loan agreement or other agreements that cause debt. According to Article 1171 of the Civil Code, a mortgage may only be granted through an official document, except in certain cases explicitly stipulated in accordance with the provisions provided for in the law. In the same way, the consent to grant a mortgage must be made in the form of an official document. If a person is required to surrender a mortgage by law or agreement, then he or she may be penalized through a court decision. In addition to clearly indicating the object of the guarantee, the judgment has the same legal status as if the individual had consented to the granting of the mortgage. All the provisions listed in this section are binding, so the mortgage and power of attorney must be drawn up in original form. Otherwise, they are considered invalid. (Febriani Wardojo, 2018)

- **Mortgage Rights**

According to Article 1 point 1 of the UUHT, "Hak Tanggungan" refers to a security right that is imposed on land rights as referred to in the UUPA, together with or without rights to other objects related to the land for the repayment of certain debts, giving certain Creditors greater preference than other Creditors. Mortgage Rights are defined in Article 1 Paragraph 1 UUHT. the main elements of Mortgage Rights can be described: *First*, security rights for debt repayment; *Second*, the debt guaranteed is a certain amount; *Third*, the object of mortgage rights are land rights in accordance with the UUPA, namely property rights, building rights, business rights, and use rights; *Fourth*, mortgage rights can be enforced against the land and objects related to the land or only the land; *Fifth*, mortgage Rights give preference or priority rights to certain creditors against other creditors.

The Mortgage encumbrance agreement does not stand alone. Because there is another agreement known as the "parent agreement" in the Hak Tanggungan agreement, the parent agreement is a debt and credit agreement, also known as a credit agreement, which results in a debt with security. In other words, creditors most prefer material security with Hak Tanggungan. The creditor takes the form of a bank for several reasons, one of which is that Hak Tanggungan gives the creditor holding the Hak Tanggungan a preferred position compared to other creditors. (Doly, 2011)

- **Fiduciary**

Fiduciary guarantee is a conventional product used to protect creditors. When the debtor makes a mistake, the creditor can request execution to compensate the debtor. on fiduciary guarantees: fiduciary registration allows immediate execution of the collateral without waiting for a court decision. This makes it easier for the bank to collect compensation from the money given to the client.

Marhainis in his book Civil Law related to the Law of Fiduciary Guarantee termed "Agreement on Trust", namely from the words Fiduciair Eigendom Overdracht or abbreviated as f.e.o, which is also called the term "transfer of property rights on trust." 5 According to him, the term Fiduciair Eigendom Overdracht (f.e.o) often occurs in the community, especially in the banking world, where a customer requests credit from a bank, and what is used as collateral in the form of movable goods but the movable collateral is not handed over by the owner of the goods to the lender (bank) but is still controlled and used by the owner. So fiduciair eigendom overdracht has two elements of pawn because the collateral is in the form of movable goods while in addition there is a mortgage element because the collateral is not submitted by the debtor to the debtor.

The agreement that gives rise to a Fiduciary has the following characteristics:

First, the engagement relationship between the Fiduciary grantor and Fiduciary beneficiary gives the creditor the right to require the debtor to deliver the collateral; second, the type of engagement is an engagement to deliver goods to the debtor (constitutum posessorium); third, the engagement in the context of granting Fiduciary is an accesoir engagement, i.e. an engagement that follows the main engagement, i.e. a debt and credit engagement.

Fourth, Fiduciary Agreements fall into the category of agreements with voidable conditions, because the Fiduciary guarantee will be forfeited if the debt is repaid; fifth, Fiduciary Agreements fall into the category of agreements derived from a promise. Sixth, the Fiduciary Agreement is considered an unnamed agreement (called "Onbenoem De Overeenkomst") because it is not specifically mentioned in the Civil Code; seventh, the Fiduciary Agreement remains subject to the provisions of the general part of the agreement in the Civil Code. (Yasir, 2016)

c. Case Example in Tort Guarantee

- **Application of Collateral Provisions in Default Cases by the Court**

In the practice of civil law, especially in the field of ties and guarantees, if the debtor fails to fulfill his obligations (default), the creditor has the right to realize the guarantee in order to obtain repayment for the unperformed performance.

Juridical Foundation:

Article 1131 of the Civil Code states that all property of the debtor, both movable and immovable, becomes collateral for the fulfillment of his obligations.

Article 1132 of the Civil Code emphasizes that the debtor's assets become joint security for all his creditors, with repayment made in order of preference.

For certain forms of collateral such as mortgages, fiduciaries and pledges, separate provisions apply, namely:

Law No. 4 of 1996 on Mortgage Rights

Law No. 42 Year 1999 on Fiduciary Guarantee

Case in point:

Supreme Court Decision No. 2369 K/Pdt/2016

In this case, because the debtor failed to perform its obligations in accordance with the credit agreement, the creditor executed the land pledged through a mortgage. The Supreme Court affirmed that the execution was valid without the need for a court order, based on the principle of parate executie as stipulated in Article 6 of the Mortgage Rights Law. This decision reflects the effective enforcement of the security mechanism in the face of default.

- **Legal Consequences If the Collateral Object Cannot Be Executed**

There are several conditions where the collateral object cannot be executed, for example: The object has been transferred to a third party in good faith, the object is lost or destroyed, there is a legal defect in the deed of guarantee agreement, constrained implementation due to administrative or technical issues.

Legal Impact:

Although the collateral cannot be executed, the debtor still bears personal responsibility for the repayment of the debt, as specified in Article 1131 of the Civil Code. Thus, creditors can collect from the debtor's other assets.

If a guarantee is made without fulfilling the formal requirements, then its execution can be null and void. For example, a fiduciary agreement that is not made in the form of a notarial deed is considered invalid and cannot be executed (see Supreme Court Decision No. 337 K/Pdt.Sus/2012). Creditors can lose their privileges and become concurrent creditors if the security does not meet the legal elements, thus competing with other creditors in the distribution of the proceeds of bankruptcy or general confiscation.

Case Example:

Supreme Court Decision No. 597 K/Pdt/2012

In this case, the fiduciary security in the form of a vehicle had been transferred by the debtor to another party without the consent of the creditor. As a result, the creditor's rights to the object were

forfeited because the object was no longer in the debtor's possession. The creditor can only file an ordinary default lawsuit, which does not provide certainty of priority repayment.

- **Reference Legal Literature**

Subekti (2002) emphasizes that property security gives creditors a stronger position than general creditors (concurrent), because they have the right of prior repayment of the security object. Mariam Darus Badrulzaman (1994) underlines the importance of the principle of publicity in collateral agreements in order to provide legal certainty, especially for interested third parties.

Ridwan Khairandy (2020) considers that fiduciary guarantees that are not registered or made not according to formal procedures not only lose their executorial power, but even their civil validity can be questioned.

d. Engagement in Business and Economic Contexts

a. Commercial and Business Contracts

- **Definition**

Contract is a term that is well known and often used in various fields, especially in the business world. Contract is defined as a legal relationship in the scope of wealth between two or more parties, which gives one party the right to receive a performance, and simultaneously obliges the other party to carry it out. Agreements are the main source of the formation of obligations. Obligations originating from agreements arise due to agreements between the parties involved, while obligations originating from laws arise due to legal relationships based on human actions involving two parties reciprocally.

The role of contracts has great significance in everyday life, because contracts are the main basis for forming legal relationships between parties. Juridically, a contract can be defined as an agreement between two or more parties regarding a certain matter that gives rise to legal relations in the form of rights and obligations. If the agreed provisions in the contract are not fulfilled properly, it will have legal consequences in the form of sanctions. Therefore, the contract has a binding nature that must be respected and obeyed by the parties involved. (Faculty of Law, 2024)

In order for a contract to be considered valid and have binding legal force, it must fulfill the requirements as stipulated in Article 1320 of the Civil Code (KUHPerdata). The four elements that must be met include: the existence of an agreement between the contracting parties, the legal capacity of each party to make an agreement, the existence of a certain object that becomes the content of the agreement, and the existence of a cause or purpose that is not contrary to law, decency, and public order (halal cause) (Principle et al., 2020).

In addition to fulfilling these formal requirements, a contract should also be prepared and based on the general principles that apply in contract law. Some important principles that serve as a basis for the formation and implementation of contracts include the principle of freedom of contract, which gives the parties the right to determine the content

and form of the agreement; the principle of consensualism, which states that the contract is born from the agreement of the parties; and the principle of pacta sunt servanda, which emphasizes that every agreement must be carried out as agreed. In addition, there are also other principles such as the principle of good faith, the principle of personality (which states that the rights and obligations in the contract apply only to the parties who make it), the principle of trust, the principle of legal equality, the principle of balance between rights and obligations, the principle of morality, the principle of propriety, the principle of custom, and the principle of protection of weak parties. All of these principles serve as an ethical and normative basis in the preparation and implementation of contracts, so that the legal relationships created can take place in a fair, balanced and sustainable manner. (Parni, 2017)

Based on the provisions contained in Article 1338 paragraph (1) of the Civil Code (KUHPerdata), it is stated that, "All agreements made legally shall apply as laws for those who make them." This formulation confirms that the contract law system adopted in the civil law system in Indonesia is an open system. The meaning of the open system in contract law is that the parties are given full discretion to make and agree on contracts with anyone, including in terms of determining the contents, terms, implementation, form of contract (both written and oral), as long as the substance of the agreement does not conflict with applicable legal provisions, values of decency, and norms of public order. This freedom of contract is a fundamental principle that aims to provide space for the parties to reach mutual understanding voluntarily and without coercion in determining the rights and obligations that will be carried out. In this case, the contract is not only a manifestation of an agreement, but also forms a legal engagement that creates juridical consequences for both parties. These consequences are in the form of reciprocal rights and obligations, where each party is obliged to carry out the performance as specified in the contents of the contract. With the existence of a legally made and mutually agreed contract, the parties are legally bound to comply with and implement all the provisions contained therein. The implementation of the contract must be carried out with full responsibility and good faith, so that the objectives of the agreement can be achieved and the legal relationship between the parties can run fairly, orderly, and sustainable. (Faculty of Law, 2024)

b. Principles of Contract

Theoretically, a business contract made by the parties must comply with a number of legal principles relating to contract drafting. According to the Civil Code, the principles in business contracts, in terms of their binding force, are generally divided into two categories, namely: a. compelling law; and b. governing law. Compelling laws are legal provisions that cannot be ignored in certain situations. Every citizen is obliged to comply with this law, and is not allowed to make provisions that contradict the coercive rules.

Generally, this type of law is found in the realm of public law. Meanwhile, governing laws are rules that in certain conditions may be deviated from by the parties, provided they agree on other arrangements. This type of law is usually found in the law of agreements or contract law as stated in Book III of the Civil Code. Therefore, if the parties arrange different provisions, the rules they make themselves apply. The principles include the following: *First*, the principle of freedom of contract. This principle is a consequence of the nature of contract law as a governing law, where the parties are free to regulate the contents of the desired contract themselves. However, the freedom in question is not an unlimited freedom. Rather, the freedom given to the parties by the law, within certain corridors, among others, namely: does not contradict the conditions of validity of the contract; Fulfilling the provisions of the law as a contra, and does not conflict with the law, decency and public order and must be carried out in good faith.

Second, Consensual Principle, that with the making of an agreement / agreement of the parties, the agreement is valid and binding for the parties who make it (Article 1338 (1) of the Civil Code); *Third*, principle of Pacta Sunt Servanda or Principle of Legal Certainty A contract that has been made legally has full legal force and applies as a law for the parties (Article 1338 (2) of the Civil Code); *Fourth*, obligatoir Principle or Binding Force Principle If the contract has been made, the parties are bound, but the attachment is only limited to the arising of rights and obligations for each. Meanwhile, the fulfillment of its performance cannot yet be carried out or imposed; *Fifth*, Principle of Legal Equality Everyone in this case the parties to the agreement have the same position in the law. each party in accordance with what is promised.

Sixth, Moral Principles In the principle of good moral attitude must be the motivation for the parties who make and carry out the agreement; *Seventh*, the Principle of Decency. The contents of the agreement must not only be in accordance with the laws and regulations; *Eigth*, the principle of custom That the agreement must follow the custom that is commonly done; *Nineth*, principle of Good Faith The agreement must be made in good faith. The principle of good faith is the principle that the parties, namely the creditor and the debtor, must be able to carry out the substance of the contract.

e. Elements of Engagement in Commercial Contracts

Binding is an essential element that is the foundation of every form of contract, including in the context of commercial or business contracts. In the Indonesian civil law system, an engagement is understood as a legal relationship that occurs between two or more parties, where one party has the right to demand a performance, while the other party has the obligation to fulfill the performance as agreed in the agreement.

In the opinion of legal expert Salim HS, the forms of performance arising in an engagement can be classified into three main categories, namely: *First*, giving something, such as handing over goods or paying a sum of money; *Second*, doing something, such as

organizing a particular service or activity; and *Third*, not doing something, such as an obligation to maintain confidentiality or a prohibition on disclosing certain information.

In practice, business contracts or commercial agreements often contain all three forms of performance together in one contract document that is mutually binding on the parties. As an illustration, in an electronic product distribution agreement, the distributor may be granted exclusive rights to sell products in a certain area, while the manufacturer is obliged to provide goods in a predetermined quantity and time period. Both parties are legally bound in a firm and binding agreement, which reflects the existence of reciprocal rights and obligations in accordance with the principle of agreement that applies in the law of the agreement. *(Scholar*, n.d.)

f. Engagement in Electronic Transactions and E-commerce

a. Electronic Transactions

Electronic transactions and electronic commerce are two different concepts, although they are interconnected. The main difference between the two lies in their scope. Electronic transactions have a broader scope than electronic commerce. Based on Article 1 number 1 of Law Number 7 Year 2014 on Trade, trade is defined as "the order of activities related to transactions of Goods and/or Services within the country and beyond national borders with the aim of transferring rights to Goods and/or Services to obtain rewards or compensation." (Scholar (1), n.d.)

Trade itself can be conducted either directly (physically) or through electronic-based processes. Based on Article 1 point 24 of the Trade Law, what is meant by electronic commerce is "buying and selling activities in which the transaction process is carried out using a series of electronic systems and mechanisms". Therefore, in the Trade Law, e-commerce is defined as trading activities that use electronic systems. Trade conducted through electronic media is called e-commerce. This business includes domestic and foreign sales of goods and/or services. The main purpose is to transfer ownership rights to goods and services in exchange for money or commission. A series of electronic-based tools and procedures run the entire trading process.

Meanwhile, Law Number 19 of 2016, which is an amendment to Law Number 11 of 2008 on Electronic Information and Transactions (ITE), regulates electronic transactions. Article 1, number 2, of the ITE Law explains the definition of electronic transactions, stating that "electronic transactions are any legal action carried out using a computer, computer network, and/or other electronic media." (Sujamawardi), 2018)

From this description, it can be concluded that electronic transactions are a legal action, namely actions taken by legal subjects, both individuals and legal entities, consciously with the aim of causing legal consequences in the form of rights and obligations. Because these actions are considered as actions of the legal actors themselves, the legal consequences of these actions are recognized by law. According to Article 40 of

Government Regulation Number 71 of 2019 concerning Electronic Transaction Systems and Implementation, electronic transactions can be carried out in various scopes.

Electronic transactions can occur in both public and private environments. In the public environment, electronic transactions can occur between businesses, between businesses and consumers, between individuals, government agencies, or between the government and consumers. The business-to-business (B2B) transaction model is called business-to-consumer (B2C) transactions. Business-to-consumer (C2C) transactions are business-to-consumer (C2C) transactions, which are direct exchanges between consumers through electronic media.

b. E-commerce Transactions

In today's rapidly growing digital era, engagement is no longer limited to transactions conducted conventionally or face-to-face, but also extends to the space of electronic transactions, including trading activities through digital media or e-commerce. This reflects that the legal relationship between the parties can now be formed through the means of information technology, without reducing the legal force of the arising engagement. (Badri, 2021)

Based on the provisions contained in Law Number 11 of 2008 concerning Electronic Information and Transactions (ITE), which has been amended through Law Number 19 of 2016, electronic transactions are defined as a legal action carried out by utilizing computer devices, computer networks, and/or various other forms of electronic media as the main means. In the context of this kind of transaction, the engagement or legal relationship between the parties is formed through a digital communication mechanism. (Dita Hapsari et al., 2019)

One form that is commonly encountered in practice is agreement to the terms and conditions of service through the act of clicking on a website page, known as a clickwrap agreement. In addition, the form of engagement can also occur through booking confirmations made through electronic messages, such as email or other digital communication platforms. Even though it is done virtually, the engagement formed through electronic transactions still has legal force as long as it fulfills the elements of the agreement as stipulated in the applicable laws and regulations. (Chusnida, 2023)

There are many legal aspects attached to conducting transactions in electronic commerce. Some of these are the validity of electronic buying and selling agreements and legal protection for consumers who may lose something. In electronic commerce, the sale and purchase transaction must also comply with the requirements of the validity of the agreement. Agreements in e-commerce are almost the same as agreements in ordinary transactions. The agreement is made electronically or through an electronic system (Article 1 Point 17 of ITE Law). Therefore, electronic signatures, information, and documents contained therein must be accessible, displayed, guaranteed validity, and accountable. In

principle, the law of e-commerce transactions is no different from conventional transactions. Therefore, the obligations and rights arising for buyers and sellers are the same. To guarantee the fairness of the contract, the seller and the buyer are responsible for ensuring that the transaction is carried out in accordance with the agreed achievements. The agreement also provides legal protection for both parties in e-commerce transactions, including legal protection for entrepreneurs and consumers in terms of payment. For example, entrepreneurs who sell e-commerce merchandise can protect themselves by asking buyers to pay and then verifying the payment before shipping the purchased product (Rukmana et al., 2021).

c. Engagement in Electronic Transactions and E-commerce

According to Pitlo, an engagement is a legal relationship relating to wealth or property between two or more parties. In this relationship, one party-the creditor-has a right, while the other party-the debtor-has an obligation to fulfill something. The term "engagement" comes from the Latin word obligatio, from the French and English obligation, as well as from the Dutch verbintenis, meaning "bond" or "relationship". The concept of verbintenis has various meanings. Subekti and Sudikno state that an engagement is a form of attachment between the parties in a certain responsibility, while perutangan refers to the relationship of debts and receivables between them. (Prayogo, 2016)

In daily practice, ties are real and an inseparable part of people's lives. Various legal events can result in an obligation, such as sale and purchase, grants, inheritance through wills, or lease agreements. The law considers an engagement as a legal relationship between two or more parties related to property, where one of them has a right to something and the other party is obliged to fulfill it. This obligation can arise from an agreement or from other legal events. In the law of ties, there is the term performance, which includes the act of doing something or not doing it. A performance to act means performing an action that is legal and in accordance with the law and the agreement. In contrast, a covenant not to act requires a person to stay away from the action that has been decided upon. Property (property law), family, inheritance and personal law are all part of the law of ties. Book III of the Civil Code (KUH Perdata) governs all regulations relating to ties in Indonesia. The KUHPer provides the legal basis for all concepts of engagement, including the principles of agreement. (Sinaga, 2019)

Conclusion

Guarantees in contracts are divided into general guarantees and special guarantees according to Indonesian civil law. While special security gives priority rights to certain creditors through forms such as pawn, mortgage, pledge, and fiduciary, general security applies to the entire wealth of the debtor for all creditors. In a business context, an engagement is a legally binding agreement made by two parties and based on principles

such as freedom of contract and good faith. In addition, technological advances have brought engagement into the digital realm, where electronic transactions and e-commerce can be conducted. A valid agreement still has the force of law. Therefore, engagement is essential to maintain legal certainty, justice, and protection in digital and conventional transactions.

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